

RESOLUTION NO. 2008-47

RESOLUTION OF THE BOARD OF DIRECTORS OF CALAVERAS COUNTY WATER DISTRICT APPROVING AN INTERIM REVISED WATER SUPPLY AGREEMENT WITH LA CONTENTA INVESTORS

WHEREAS, the CALAVERAS COUNTY WATER DISTRICT Board of Directors approved an *Agreement for Water Supply with La Contenta Investors* by Resolution No. 91-168 on December 12, 1991; and

WHEREAS, the Board of Directors approved an Agreement in Principle to Develop a Detailed Final Agreement with La Contenta Investors by Resolution No. 2007-103 on November 14, 2007; and

WHEREAS, the Board of Directors approved an *Interim Revised Agreement for Water Supply with La Contenta Investors* by Resolution No. 2008-34 on May 21, 2008.

THEREFORE, BE IT RESOLVED, that the "Interim Revised Water Supply Agreement (Agreement)," attached hereto and made a part hereof, is hereby approved.

BE IT FURTHER RESOLVED, that the General Manager is hereby authorized to execute and administer said Agreement.

BE IT FURTHER RESOLVED, that the General Manager is authorized to enter into negotiations with La Contenta Investors on the necessary capital improvement projects that will ultimately result in a final long-term water supply agreement.

BE IT FURTHER RESOLVED, that Resolution No. 2008-34, dated May 21, 2008, is hereby rescinded and superseded by this resolution.

PASSED AND ADOPTED this 25th day of June 2008, by the following vote:

AYES:

Directors Underhill, McCartney, Rich, and Dean

NOES:

None

ABSTAIN:

Director Davidson

ABSENT:

None

CALAVERAS COUNTY WATER DISTRICT

Robert T. Dean, Board President

ATTEST:

Mona Walker, Clerk to the Board

07/02/2008 11:04:00AM PAGE 1 OF 22

2008 9110

RECORDED AT REQUEST OF AND RETURN TO: CALAVERAS COUNTY WATER DISTRICT PO Box 846 San Andreas, CA 95249

Nal



INTERIM REVISED AGREEMENT FOR WATER SUPPLY

Calaveras County Water District and La Contenta Investors

THIS AGREEMENT is executed on June 25th, 2008, by and between CALAVERAS COUNTY WATER DISTRICT, a California special district organized pursuant to Water Code §§ 30000 *et seq.*, hereinafter called DISTRICT, and LA CONTENTA INVESTORS dba La Contenta Golf Club, hereinafter called OWNER (collectively called "Parties").

WHEREAS, DISTRICT, as authorized by Resolution 2007-103, and OWNER previously executed the Agreement for Water Supply, La Contenta Golf Course, dated December 12, 1991 ("1991 Agreement");

WHEREAS, DISTRICT and OWNER intend to enter into a new arrangement for provision of raw water and reclaimed effluent to OWNER, and to terminate the 1991 Agreement in favor of the new arrangement;

WHEREAS, DISTRICT as authorized by Resolution 2007-103, and OWNER entered into an Agreement in Principle To Develop a Detailed Final Agreement Between the Parties for the Construction of Additional La Contenta Wastewater Facilities on November 14, 2007 ("Agreement in Principle");

WHEREAS, DISTRICT and OWNER agree that due to timing issues it is necessary to enter into the new arrangement in two phases, first through this Interim Revised Agreement for Water Supply, and next through a Final Revised Agreement for Water Supply, the latter of which shall constitute the "detailed final agreement" referenced in the Agreement in Principle; and

WHEREAS, DISTRICT and OWNER intend that the provisions of the Agreement in Principle and this Interim Revised Agreement for Water Supply shall supplement and/or supersede the 1991 Agreement, except that where the Agreement in Principle or this Interim Revised Agreement is silent, the 1991 Agreement shall govern in a manner consistent with the parties' intent as expressed in the Agreement in Principle and this Interim Revised Agreement. To the extent that there may be conflicts between the Agreement in Principle and this Interim Revised Agreement, this Interim Revised Agreement shall control.

IT IS MUTUALLY AGREED by and between DISTRICT and OWNER as follows:

1. <u>Recitals</u>. The foregoing recitals are incorporated by reference as if fully set forth herein.

2008 9110

2. <u>Water Rights</u>. This Interim Revised Agreement (hereafter, "Agreement") confers no water rights whatsoever. The water rights to Recycled Water and New Hogan water shall remain exclusively with DISTRICT.

Definitions.

- a. <u>Recycled Water.</u> Water treated at DISTRICT's La Contenta Wastewater Treatment Plant and available for delivery by DISTRICT to OWNER under this Agreement subject to such terms and conditions as may be imposed by the Regional Water Quality Control Board. Recycled Water includes Minimum Quantity, Additional Quantity and Supplemental Quantity. Recycled Water does not include raw New Hogan water.
- b. <u>New Hogan Water</u>. Untreated or "raw" water diverted through the La Contenta Pump at New Hogan Reservoir, made available to OWNERS pursuant to DISTRICT's contracts with Stockton East Water District, the U.S. Bureau of Reclamation, and Reclamation's Water Right Permit 14434.
- c. <u>Point of Delivery.</u> 1.) Recycled Water the 8-inch water meter located at the golf course injection pump station, as set forth in Exhibit A "Point of Delivery."

 2.) New Hogan Raw Water the 8-inch water meter located at APN 074-012-002 on Vista Del Lago Drive.
- d. Golf Course. The La Contenta Golf Course owned and operated by OWNER as set forth in Exhibit B "Property Description."
- e. <u>Law</u>. Legislation, regulations and policies of federal, state and local government agencies, including CCWD.
- f. Force Majeure Event. Flood, earthquake, an act of God and any other event beyond the reasonable control of the Parties; final judgments or injunctive relief awarded by any court having jurisdiction, which judgments or injunctive relief have not been sought by any of the Parties; any change in Law relating to water rights or water quality requirements for Recycled Water which makes DISTRICT's compliance with this Agreement impracticable; or an emergency event beyond the control of DISTRICT which renders impossible the continued provision of water service to meet basic health and sanitation needs. The status of or changes to the following do not constitute Force Majeure Events: the irrigation needs of the Golf Course, OWNER's ability or desire to accept Recycled Water based on factors such as quantity, quality, economic or Golf Course impacts, or OWNER's financial resources.
- g. <u>Liability</u>. Liability, losses, claims, damages, expenses, demands, settlements, fines, fees, and costs of any kind (including, but not limited to, interest, penalties, attorney, expert witness and consulting fees, and litigation costs).

4. Obligations of OWNER.

- a. <u>Minimum Quantity</u>. OWNER shall accept a minimum of 145 acre-feet per calendar year (AFY) of Recycled Water ("Minimum Quantity") for use on the Golf Course. OWNER expressly understands and agrees that the Minimum Quantity is an absolute minimum quantity, and that OWNER's obligation to accept the Minimum Quantity is not dependent on the irrigation needs of the Golf Course, the quality of the Recycled Water, or any other factor whatsoever.
- b. Additional Quantity. OWNER shall exercise its best efforts to use up to an additional 100 AFY ("Additional Quantity") on the Golf Course by December 31, 2010. OWNER shall modify the Golf Course and complete any other actions as required to enable OWNER to accept the Additional Quantity within that period. Additional Quantity under this Agreement shall be calculated by averaging the annual Recycled Water taken by OWNER minus 145 AFY for calendar years 2008, 2009 and 2010, not to exceed an annual average of 100 AFY.
- c. <u>Supplemental Quantity</u>. In the event supplemental Recycled Water is available in quantities above the combined total of the Minimum Quantity and Additional Quantity ("Supplemental Quantity"), OWNER agrees to take such Supplemental Quantity of Recycled Water where feasible.
- d. Additional Lease Lands. OWNER further agrees to provide a five-year lease at no cost to DISTRICT for land adjacent to DISTRICT's La Contenta Wastewater Treatment Plant, and to ensure that the lease is sufficient to allow for DISTRICT's disposal of an additional eighty (80) AFY of treated water from the La Contenta Wastewater Treatment Plant. This treated water is in addition to and distinct from Recycled Water. Improvements necessary to dispose of the treated water on the leased property shall be at DISTRICT's sole expense. The provisions of the lease shall be developed under a separate written agreement.
- Commitment to Take Recycled Water. OWNER acknowledges that DISTRICT is dependent on OWNER to dispose of treated water, and that serious health and safety consequences, financial, legal, environmental and other consequences may result from OWNER's failure to take Recycled Water as agreed. OWNER acknowledges that DISTRICT is relying on OWNER's agreement to take the Minimum Quantity and to exercise best efforts to take the Additional Quantity. Accordingly, OWNER agrees that it shall not: refuse to take at least the Minimum Quantity for any reason except a Force Majeure Event; change the use of the Golf Course, directly or indirectly; refuse to invest sufficient funds to modify the Golf Course to accept the Additional Quantity; or take any other action which limits OWNER's ability to convey, store or accept Recycled Water, Additional Quantity, or Supplemental Quantity, for any reason whatsoever. OWNER's failure to take the Minimum Quantity or to exercise its best efforts to facilitate OWNER's acceptance of the Additional Quantity shall be considered a material breach of this Agreement. OWNER further agrees maintain at all times the necessary pipelines. pumps, motors and appurtenances to take raw and Recycled Water up to and including

the Point of Delivery. Such maintenance shall be exclusive of DISTRICT owned and operated facilities.

f. Storage Pond. OWNER may construct, at OWNER's sole expense, a 35-acre storage pond ("Storage Pond") and all appurtenances on DISTRICT property adjacent to the existing storage pond within three (3) years of the execution date of this Agreement in order to be eligible for Sewer Capacity Fee credits as identified under Section 5d. Provided, however, the Parties may mutually agree to an alternate pond site or sites. Such alternate site(s) shall be subject to a separate addendum to this Agreement. OWNER shall prepare the necessary plans, conduct all necessary studies and obtain all necessary permits/approvals to construct the Storage Pond and appurtenances. All plans, reports and studies must be reviewed and released for construction by DISTRICT prior to construction of Storage Pond and appurtenances. Upon completion of construction by OWNER(s), DISTRICT shall inspect the Storage Pond and appurtenances and confirm, in writing, that construction of the Storage Pond and appurtenances conforms to all legal requirements, improvement standards, and DISTRICT rules.

DISTRICT shall at all times be the sole owner of the Storage Pond and appurtenances and shall assume all costs for operation and maintenance except as set forth below. Until DISTRICT issues the written confirmation referenced above, OWNER shall fully indemnify, defend, and hold harmless DISTRICT and DISTRICT's directors, officers, employees, agents and authorized volunteers from any Liability arising out of or connected with the design, permitting or construction of the Storage Pond and appurtenances, unless the cause of such Liability is DISTRICT's willful or negligent action or inaction, in which case the Liability of DISTRICT and DISTRICT's directors, officers, employees, agents and authorized volunteers shall only exist to the extent of such willful or negligent action or inaction.

After DISTRICT issues the written confirmation referenced above, DISTRICT shall fully indemnify, defend, and hold harmless OWNER and OWNER's directors, officers, employees, agents and authorized volunteers from any Liability arising out of or connected with the design, permitting, construction, operation or maintenance of the Storage Pond and appurtenances, unless the cause of such Liability is OWNER's willful or negligent action or inaction, or unless such Liability was caused by a design or construction defect of which OWNER knew or should have known and that could not be detected through reasonable DISTRICT inspection.

- g. <u>Direct Discharge Permit</u>. OWNER will diligently pursue a Regional Water Quality Control Board permit in coordination with DISTRICT for direct discharge of Recycled Water into Cosgrove Creek. OWNER and DISTRICT shall each bear their own costs, except as otherwise set forth in a separate written agreement.
- h. <u>Bonding Requirements</u>. To ensure full performance of OWNER's obligations under this Agreement (not limited to those set forth in this section), OWNER agrees to provide a bond, or other financial security acceptable to DISTRICT, prior to

07/02/2008 11:04:00AM PAGE 5 0F 22

2008 9110

the initiation of construction of the pond facilities identified under Section 4f. of this Agreement.

i. Access to Facilities. OWNER agrees to provide DISTRICT's personnel unlimited access on a 24-hour per day / 7-day a week basis to OWNER's pumping, storage, transmission, distribution and irrigation facilities, including the controls and equipment used to operate these facilities at the Golf Course for purposes of monitoring and compliance with this Agreement. In addition, OWNER agrees to allow DISTRICT to install such electronic, radio, telemetry and/or other equipment, at DISTRICT's sole discretion and expense, in order to monitor the use of Recycled and raw water. Such access shall include, but not be limited to, vehicle access to OWNER's property, building access where equipment is housed and access to equipment and facilities used for pumping, storage, transmission, distribution and irrigation.

5. Obligations of DISTRICT.

- a. Recycled Water Quantity. Absent a Force Majeure Event, DISTRICT shall make available to OWNER at the Point of Delivery (1) the Minimum Quantity; and (2) a maximum of the lesser of (a) OWNER's ability to take in addition to the Minimum Quantity, the Additional Quantity and Supplemental Quantity under Sections 4a., 4b. and 4c. of this Agreement, or (b) DISTRICT's ability to deliver Additional Quantity or Supplemental Quantity.
- b. Recycled Water Quality. Absent a Force Majeure Event, DISTRICT shall ensure that the Recycled Water meets applicable water quality criteria set forth in Title 22 of the California Code of Regulations as of the date of the execution of this Agreement. If Title 22 is amended to impose new criteria on Recycled Water, DISTRICT shall use its best efforts to satisfy that criteria within a reasonable period of time.
- c. Recycled Water Facilities. DISTRICT shall be wholly responsible for and bear the entire Liability associated with facilities used for treatment and conveyance of Recycled Water up to the Point of Delivery. DISTRICT shall have no responsibility or Liability whatsoever for measurement, conveyance, storage or use facilities at or after the Point of Delivery, or for the Golf Course.
- d. Potential Sewer Credits. DISTRICT will credit OWNER with up to a maximum of \$2.25 million in Sewer Capacity Fee credit as follows: 1.) \$450,000 in Sewer Capacity Fee credit within DISTRICT's existing La Contenta sewer service area in exchange for OWNER's construction of the Storage Pond and appurtenances, as set forth in Section 4f, within three years of the execution date of this Agreement; and 2.) Up to \$1,800,000 in Sewer Capacity Fee credit within DISTRICT's existing La Contenta sewer service area in exchange for OWNER taking 100 AFY, or more, of Recycled Water as identified under Sections 4b. and 4c. of this Agreement within three (3) years of the execution date of this Agreement. No credit shall be provided for the first 145 AFY of water taken under Section 4a. of this Agreement, i.e., the Minimum Quantity. If OWNER fails to complete the requirements identified in items 1 or 2 above within three

(3) years of the execution date of this Agreement, DISTRICT shall not be obligated to provide any of the Sewer Capacity Fee credits identified in this Section 5d.

Credit shall be applied at the time sewer service is established and in accordance with DISTRICT policies, procedures and standards in effect at the time sewer service is required. Such policies, procedures and standards concerning sewer service shall be the same as those in effect for all other La Contenta sewer customers, and may include, but not be limited to, District water and/or sewer ordinances, resolutions and policies as may be amended, water and/or sewer moratoriums and water shortage emergencies established under Water Code Section 350 et seq. OWNER is advised that water and sewer connections are issued on a first-come-first-served basis, and that this Agreement does not provide OWNER with a vested right to sewer service or a reservation of capacity in DISTRICT's system.

The basis for providing Sewer Capacity Fee credit shall be determined by the OWNER's successful performance under this Agreement. Sewer Capacity Fees for projects within the LaContenta sewer service area shall be credited as follows: 1.) \$450,000 shall be credited upon completion of construction and project acceptance by the DISTRICT of the storage pond project identified in Section 4f. of this Agreement; and/or 2.) Up to \$1,800,000 shall be credited based on meeting the additional quantity identified in Section 4b. of this Agreement. In the event OWNER does not meet the 100 AFY goal, OWNER shall receive a proportional credit based on the percentage actually achieved (e.g. if only 50 AFY of the 100 AFY Additional Quantity is met, the OWNER will receive only 50% of \$1,800,000, or \$900,000). DISTRICT shall maintain a written accounting of accrued and used Sewer Capacity Fee credits. Sewer Capacity Fee credits shall be debited on a dollar-for-dollar basis calculated on the Sewer Capacity Fee in effect at the time application for the sewer connection is made by OWNER. DISTRICT shall establish an initial allotment of twenty (20) sewer connections per year for use by OWNER for each of the first three (3) years of the Agreement. After which time, the allocation will be based on actual performance less any sewer connections advanced. In the event OWNER fails to accumulate sufficient credits to cover this allotment within three (3) years of the execution date of this Agreement, OWNER will reimburse DISTRICT the full cost of the Sewer Capacity Fees at the fee rate in effect at the time demand is made by DISTRICT. The credits shall be for Sewer Capacity Fees only and shall not apply to any other service, cost or fee of DISTRICT including, but not limited to, inspection fees, connection charges, or other service fees. All Sewer Capacity Fee credits must be used by December 31, 2020, or they shall be null and void.

Currently there is a differential in the Capacity Fee for those projects in Assessment District 604 (AD 604). The La Contenta Capacity Fee shall be based on whether the service connection for new construction is in AD 604, or not, and the corresponding Capacity Fee shall be used to compute the credit. For purposes of this section, during the first three (3) years from the execution date of this Agreement the Capacity Fee per equivalent dwelling unit (EDU) shall be frozen at the rate in effect as of July 1, 2008, after which time the Capacity Fee per EDU shall be imposed at the rate in effect at the time sewer service is established.

07/02/2008 11:04:00AM PAGE 7 OF 22

2008 9110

- e. <u>Direct Discharge Permit</u>. DISTRICT will work with OWNER to pursue a Regional Water Quality Control permit for direct discharge of treated effluent into Cosgrove Creek.
- 6. New Hogan Water. From time to time, at DISTRICT's sole discretion, DISTRICT may make New Hogan water available to OWNER. OWNER shall pay a rate for New Hogan water as imposed by DISTRICT, at DISTRICT's sole discretion. Such rate for water shall be as follows: First 50 AFY the "agricultural irrigation rate" in effect at the time of delivery; From 51 to 100 AFY \$35.00 per acre foot; More than 100 AFY \$50.00 per acre foot. The "agricultural irrigation rate" shall be the same rate charged lower Calaveras River water users as may be periodically modified by DISTRICT's Board of Directors. The rate per acre foot of water above 50 AFY shall remain fixed at the above rates through December 31, 2010. After which time DISTRICT may increase the rates above 50 AFY by an amount not to exceed five-percent (5%) per year after ninety-days (90) days written notice to OWNER. Each year shall be calculated for usage purposes based on a calendar year (January 1 thru December 31).

For a period of five (5) years after the date of execution of this Agreement, OWNER shall not be entitled to take, and shall not take, any New Hogan water unless OWNER is taking the Minimum Quantity and, in the judgment of DISTRICT, making its best efforts to take the Additional Quantity. At the five (5) year anniversary of execution of this Agreement and thereafter, OWNER shall not be entitled to take, and shall not take, any New Hogan water unless OWNER is taking the Minimum Quantity and all of the Additional Quantity. Provided, however, upon request by OWNER, DISTRICT's General Manager may, in his sole discretion, authorize temporary use of New Hogan water for flushing purposes and/or in the event Recycled Water is not available for delivery.

Owner shall not be entitled to rely on the availability of New Hogan water. DISTRICT makes no guarantees, warranties, or any promises whatsoever as to availability, quantity or quality of New Hogan water. OWNER and DISTRICT expressly agree that DISTRICT shall have no responsibility or Liability whatsoever for the availability, quantity, or quality of New Hogan water.

DISTRICT has no responsibility or Liability whatsoever for facilities used to store, divert, or convey New Hogan water operated by OWNER, at/after the Point of Delivery. OWNER shall be wholly responsible for and bear any and all Liability associated with the La Contenta pump and associated conveyance facilities.

7. <u>Items for Further Discussion.</u> DISTRICT and OWNER shall negotiate a Final Revised Agreement in good faith. No document or course of dealing identifies all matters on which consensus must be achieved in order for the Final Revised Agreement to be acceptable. Each party will be solely responsible for and pay its own legal and professional fees, expenses, and transaction costs (including, without limitation, fees and disbursements of legal counsel, accountants and other advisors) incurred in connection with the evaluation, negotiation and documentation of the Final Revised Agreement, except as may otherwise be provided in the Final Revised Agreement. This is a non-exhaustive list of items to be included in the Final Revised

07/02/2008 11:04:00AM PAGE 8 0F 22

2008 9110

Agreement:

- a. <u>Storage Pond and Other Facilities</u>. Detailed design and construction of a 35 acre-foot pond and appurtenances on DISTRICT property (above and adjacent to DISTRICT's existing pond, or such other mutually agreeable site);
- b. <u>Sewer Capacity Fee Credits</u>. Evaluation of the potential for reimbursements to OWNER to occur in the form of up to \$2.25 million in credits for Sewer Capacity Fees as set forth in Section 5d. of this Agreement once actual usage data is obtained; and
- c. <u>Regional Water Quality Control Board Discharge Permit.</u> Evaluation of potential for and cooperation in obtaining a direct discharge permit to Cosgrove Creek as a long-term solution to spray disposal, including permitting strategies, studies and scheduling.

The agreement to negotiate in good faith is not a binding commitment of any kind; it is intended solely as an aid for further negotiations among the parties with respect to the Final Revised Agreement. Neither any document nor any course of dealing identifies all matters on which agreement must be reached in order for the Final Revised Agreement to be completed or acceptable. During negotiations, any party may change its position on any matter, whether or not set forth in or based upon the Agreement in Principle, this Interim Revised Agreement, any other document or any course of dealing, at any time and for any or no reason. if the parties do not execute a Final Revised Agreement, the 1991 Agreement, the Agreement in Principle and this Interim Agreement shall control as set forth in the Recitals to this Interim Agreement.

Each party will be solely responsible for and pay its own legal and professional fees, expenses, and transaction costs (including, without limitation, fees and disbursements of legal counsel, accountants and other advisors) incurred in connection with the evaluation, negotiation and documentation of the Final Revised Agreement, except as may otherwise be provided in the Final Revised Agreement.

8. <u>Indemnification/Hold Harmless</u>. This section shall control over the general indemnity provided in Section 9.

OWNERS will indemnify, defend and hold harmless DISTRICT and its directors, officers, employees, agents and authorized volunteers from any Liability arising out of or connected with the control, carriage, handling, use, disposal, distribution or quality of water supplies made available to OWNER under this Agreement, or for changes in water quality or violations of drinking water standards at or downstream of the Point of Delivery, unless the cause of such Liability, change or violation is DISTRICT's willful or negligent action or inaction in making water available before the Point of Delivery, in which case the Liability of DISTRICT and DISTRICT's directors, officers, employees, agents and authorized volunteers shall only exist to the extent of such willful or negligent action or inaction.

- 9. <u>General Indemnity</u>. It is intended that, except as specifically set forth in Section 4f. (Storage Pond) and Section 8., each party shall bear its own Liability, and shall not be responsible for the Liability of the other party. Accordingly, except as specifically set forth in this Agreement (including but not limited to Section 4f. (Storage Pond), Section 8. and Section 11. each party to this Agreement will indemnify, defend and hold harmless the other party and the other party's respective directors, officers, employees, agents, and authorized volunteers from and against any and all Liability arising out of each party's performance under this Agreement.
- 10. <u>Successors in Interest.</u> The rights and obligations under this Agreement shall accrue to the benefit of and be binding upon the successors and assigns of the parties hereto; OWNER shall not assign or transfer (by operation of law or otherwise) its interest or any part thereof without the prior written consent of DISTRICT, which consent shall not be unreasonably withheld. Provided, however, OWNER may transfer accrued, but unused, Sewer Capacity Fee credits to another individual or entity for use in the La Contenta service area upon written notice to and agreement by DISTRICT, which agreement shall not be unreasonably withheld. Any Sewer Capacity Fee credits so transferred shall be subject to all requirements and limitations set forth in this Agreement, and shall not result in the imposition of any Liability or obligation on DISTRICT beyond those expressly contemplated by this Agreement.
- 11. <u>Attorney's Fees</u>. If either party brings any action to enforce this Agreement, or for the breach thereof, the losing party shall pay the prevailing party's costs and reasonable attorneys' fees and costs (including, without limitation, including, but not limited to, interest, penalties, attorney, expert witness and consulting fees, and litigation costs) incurred in connection with the action.
- 12. <u>Cooperation</u>. The parties shall promptly do all acts and execute and deliver all instruments required or convenient to carry out the purpose and intent thereof.
- 13. <u>Notices</u>. All notices and demands or other communications under this Agreement shall be in writing and shall be given by one party to the other at the following addresses for each:

OWNER

Rod Metzler LaContenta Investors 14670 Cantova Way, Suite 228 Rancho Murieta, CA 95683 V (916) 354-1867 / F (916) 914-2347

DISTRICT

General Manager Calaveras County Water District PO Box 846 San Andreas, CA 95249 V (209) 754-3543 / F (209) 754-1120 KAREN VARNI, COUNTY CLERK - RECORD

2008 9110

Any such notice or other communication shall be deemed delivered on the day on which it is mailed by certified mail or, in the case of any such notice or other communications not mailed by certified mail, on the date of actual delivery.

- 14. Review by Counsel. It is agreed and acknowledged by OWNER and DISTRICT that the provisions of this Agreement have been arrived at through negotiation and that OWNER and DISTRICT have had a full and fair opportunity to revise the provisions of this Agreement and to have such provisions reviewed by legal counsel. Therefore, the normal rule of construction that any ambiguities are to be resolved against the drafting party shall not apply in construing or interpreting this Agreement.
- 15. <u>No Waiver of Breach</u>. The waiver by DISTRICT of any breach of any term or promise contained in this Agreement shall not be deemed to be a waiver of such term or provision or any subsequent breach of the same or any other term or promise contained in this Agreement.
- 16. <u>Obligations</u>. All of OWNER's duties and obligations under this Agreement make up the consideration for DISTRICT entering into this Agreement; therefore, if any duty or obligation of OWNER hereunder becomes non-enforceable, DISTRICT may elect to terminate this Agreement. Alternatively, DISTRICT may elect to modify the Agreement to ensure adequate consideration to DISTRICT, subject to written agreement by OWNER.
- 17. <u>No Third Party Beneficiaries</u>. Nothing contained in this Agreement shall be construed to create and the Parties do not intend to create any rights in third parties.
- 18. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California, without giving effect to conflict of laws principles. Any action to enforce this Agreement shall be venued in Calaveras County.
- 19. Merger. This writing is intended both as the final expression of the Agreement between the parties hereto with respect to the included terms and as a complete and exclusive statement of the terms of the Agreement, pursuant to California Code of Civil Procedure §1856. The 1991 Agreement, the Agreement in Principle and this instrument contain the entire Agreement of the Parties. Any other agreement, whether express or implied, is null and void. No amendment or modification of this Agreement shall be effective unless and until such amendment or modification is evidenced by a writing signed by both Parties.
- 20. <u>Time of Essence</u>. Time is and shall be of the essence in this Agreement and of each and every provision contained in this Agreement.
- 21. <u>No Joint Venture.</u> Nothing in this Agreement will be construed to create an association, joint venture, trust or partnership, or to impose a trust or partnership covenant, obligation or liability between the Parties.



- 22. <u>Term of Agreement</u>. Because each party is dependent on the other for Recycled Water (OWNER) and disposal of Recycled Water (DISTRICT), the Agreement may be terminated and/or the obligations hereunder cease only upon mutual written Agreement of the Parties, except that DISTRICT may suspend or terminate delivery of Recycled Water due to Force Majeure, treatment/conveyance malfunction or failure, or for health or safety reasons.
- 23. <u>Captions</u>. The captions in this Agreement are solely for convenience of reference. They are not a part of this Agreement and shall have no effect on its construction or interpretation.
- 24. <u>Counterparts</u>. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original instrument, but all of which together shall constitute one and the same instrument.
- 25. Representations, Warranties and Covenants. DISTRICT and OWNER hereby each represents and warrants to the other that:
- a. The execution and delivery of this Agreement, been duly authorized by all necessary action on its part, and it has full power, right and authority to enter into this Agreement and to perform its obligations hereunder;
- b. Neither the execution and delivery of this Agreement by it, nor the performance by it of any of its obligations under this Agreement, violates any applicable federal, state or local law, whether statutory or common, or regulation, or its charter documents, it any, or constitutes a violation of, or a breach or default under, any agreement or instrument, or judgment or order of any court or governmental authority, to which it is a party or which it or any of its property is subject;
- c. This Agreement is a valid and binding obligation of it, enforceable against it in accordance with its terms, except as such enforceability may be limited by equitable principles or by bankruptcy or other laws affecting creditors, rights generally.
- 26. Recording. DISTRICT shall record this Agreement against the Golf Course.

07/02/2008 11:04:00AM PAGE 12 0F 22

2008 9110

IN WITNESS WHEREOF, the Parties have executed this Agreement the day and year first written above.

DISTRICT

Calaveras County Water District

David Andres

General Manager

ATTEST:

Mona Walker Clerk to the Board

Calaveras County Water District

OWNER

La Contenta Investors

Rodney L. Metzler

Title: V

Partner

OWNER

La Contenta Investors

Ryan Voorhees

me. Och. Pany

(SIGNATURES MUST BE NOTARIZED)

07/02/2008 11:04:00AM PAGE 13 OF 22

2008 9110

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California)
County of Calaveras	}
On July 1, 2008 before me, Ran	Here Insert Name and Title of the Officer Public,
personally appeared Ryan	
· · · · · · · · · · · · · · · · · · ·	Name(s) of Signer(s)
	who proved to me on the basis of satisfactory evidence to be the person(e) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(e) on the instrument the person(e), or the entity upon behalf of which the person(s) acted, executed the instrument.
Commission # 1728729 Metary Public - California g Calaveras County MyComm. SpissMar 12, 2011	I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.
	WITNESS my hand and official seal. Signature Lasnona L. Walker Signature of Notary Public
Though the information below is not required by law, it	May prove valuable to persons relying on the document
and could prevent fraudulent removal and re-	
Description of Attached Document	sed Agreement for Water Supply
Document Date: Time 25 2608	Number of Pages: 19
	sey L. Metzler and David Andre
Capacity(ies) Claimed by Signer(s)	
Signer's Name: Rupp Voorbees Individual Corporate Officer — Title(s): Partner — Limited General Attorney in Fact Trustee Guardian or Conservator Other:	Signer's Name: Individual Corporate Officer — Title(s): Partner — Limited General Attorney in Fact Trustee Guardian or Conservator Other:
Signer Is Representing: La Contenta Investors	Signer Is Representing:

2008 9110

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

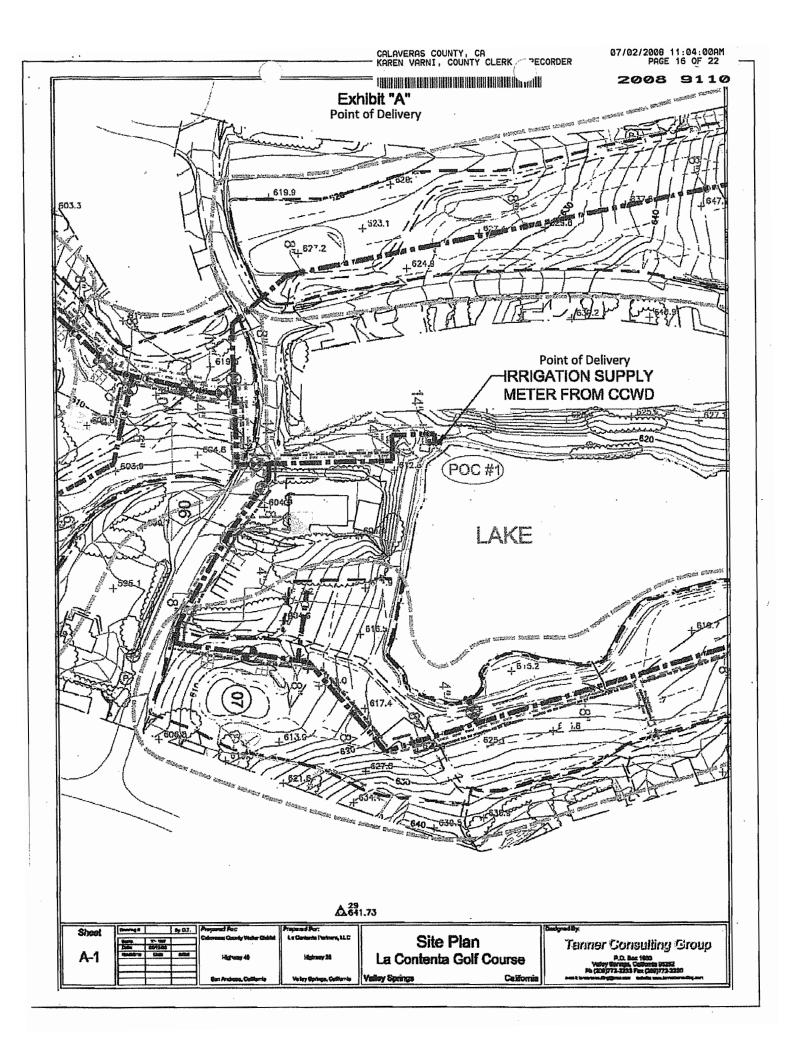
1
}
nona L. Walker, Notory Public .
Here Insert Name and Title of the Officer Public. Metaler Name(s) of Signar(s)
Name(s) of Signer(s)
who proved to me on the basis of satisfactory evidence to be the person(e) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(e), or the entity upon behalf of which the person(e) acted, executed the instrument.
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.
WITNESS my hand and official seal.
Signature Rassona L. Wilher Signature of Notary Public
IONAL
may prove valuable to persons relying on the document eattachment of this form to another document.
ised Agreement for Water Supply
Number of Pages: 19
Voorhees and David Andres
Signer's Name: Individual Corporate Officer — Title(s): Partner — Limited General Attorney in Fact Trustee Guardian or Conservator Other: Signer Is Representing:

07/02/2008 11:04:00AM PAGE 15 OF 22

2008 9110

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California	}
County of <u>Calaveras</u>	J
On July 2, 2008 before me, Ran	Here Insert Name and Title of the Officer Andres Name(s) of Signer(s)
personally appeared Takid	Andres
position, upper a	Name(s) of Signer(s)
RAMONA L. WALKER Commission # 1725729 Notary Public - California Calaveras County MyComm. Expires Mar 12, 2011	who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument. I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.
	WITNESS my hand and official seal.
Place Notary Seal Above	Signature Ramone 1 Walter Signature of Notary Public
Though the information below is not required by law,	it may prove valuable to persons relying on the document reattachment of this form to another document.
Description of Attached Document	
Title or Type of Document: Interior Res	used Agreement for Water Supply
Document Date: June 25, 2008	Number of Pages: 19
Signer(s) Other Than Named Above: Ryan	Number of Pages: 19 Voorhers and Rodney Metzler
Capacity(ies) Claimed by Signer(s)	
Signer's Name: David Andres Individual Corporate Officer — Title(s): Partner — Limited General Attorney in Fact Trustee Guardian or Conservator Other: Davic Entity	Guardian or Conservator Of Signer Top of thumb here
Signer Is Representing:	Signer Is Representing:



* LEGAL DESCRIPTION

Real property in the unincorporated area of the County of CALAVERAS, State of CALIFORNIA, described as follows:

PARCEL I, PARCEL II AND PARCEL III, AS SAID PARCELS ARE SHOWN ON THE FINAL MAP OF LA CONTENTA GOLF COURSE PROPERTY, FILED FOR RECORD AUGUST 4, 1989 IN BOOK 6 OF SUBDIVISION MAPS, PAGE 40, CALAVERAS, COUNTY RECORDS.

APN: 073-042-090, 073-042-091 AND 073-042-126

EXHIBIT B

(*First American Title Company Preliminary Report dated September 28, 2007, Order No. 0503-2917262, Page Number 8, as referenced in the attached maps of LaContenta Golf Course)

FINAL MAP OF

LA CONTENTA GOLF COURSE PROPERTY

REVERSION TO ACREAGE

OF LOTS 500, 501, & 520, UNIT 3, AND LOTS 701, 702, 703 & 704, UNIT 4 LA CONTENTA SUBDIVISION AND PORTIONS OF SECTIONS 25 & 26, T. 4N., R. 10E., M.D.M. CALAVERAS COUNTY, CALIFORNIA

MARCH, 1989

KASL CONSULTING ENGINEERS, INC.

SHEET 1 OF 3

CAREK N	BTATEMENT:

ME HEREBY CHRITE THAT WE ARE THE OHNERS OF, OR HAVE SOME RIGHT, TITLE OR INTEREST IN AND TO THE REAL PROPERTY MITHIN THE SUBDIVISION MUICH IS AFFECTED BY THE FEIDAL HAP OF LA CONTENTA COLF COURSE PROPERTY REVERSION TO ACRESS AND THAT ME JUE THE OFLY PRESONS MOSE CONSENT IS RECESSARY TO PASS A CLEAR TITLE TO SAID PROPERTY, AND ME CONSENT TO THE MANUFACOF AND RECOMMENDED OF AND RECOMMEND OF AND RECOMMEND OF AND RECOMMEND OF AND RECOMMEND TO THE MANUFACOF AND RECOMMEND TO SAID PROPERTY AND ACCURAGE PROPERTY REVERSION TO ACREAGE SHOWN.

CONTENTA INVESTORS, A CALIFORNIA LIMITED PARTHERSHIP

LINET General Betriek 5-17-89

this 195 day or March . In the year 1912 Cheek C. Lord a Notary Public in and for said country on the country of the country forms and the said country forms and the country forms of the country for

CALAVERAS TITLE COMPANY, A CALIFORNIA CORFORATION, TRUSTEE UND DECOS OF TRUST RECORDED IN MOCK 850 AT PAGE 233, AND 800K 770 PAGE 263, OFFICIAL RECORDS OF CALAVERNE COUNTY, CALIFORNIA.

COUNTY OF CALAVERAS

ON MECA 22 1089

DEFORE HE, THE
UNDERSIGNED, A HOTARY PUBLIC IN AND TOR SAID COUNTY
AND STATE, PERSONALLY APPRAISED IN ANY I. M. HIGHT
EXCORT OF HE PRESIDENT OF THE CORPORATION THAT
EXECUTED THE MITTHIN HEFTERHENT AND ACCHOMOLOGICS TO HE
THAT HE REMICIUS HE SAID, ON ARD HE REMILT OF SAID
CORPORATION AND THAT SAID CORPORATION EXCUURED THE
SAME.

WITHESE HE HAND AND OFFICIAL SEAL SIGNATURE: One Office HY CONSTRESS EXPIRES 11-89-91

PURPOSE OF THIS MAP IS TO HERCE LOTS 500, 501, 520, U LOTS 701, 702, 703 AND 704, UNIT 4, INTO THE ADJACENT RSE PARCELS, AS SHOWN.

EASEMENTS AS SHOWN AND CITED ON THIS MAP SHALL REMAIN AS

. BK. 770, PG. 208; OR. BK. 839, PG, 420 OR.

ENGINEER'S STATEMENT

I, DOUGLAS L ASCHE HERENY CERTIFY THAT I AN A REGISTERED CAVIL ENGINEER IN THE STATE OF CALIFORNIA, THAT THE ORDER AUTHORIZED HE TO MAKE THIS SURVEY DESIGNATED ON THE HITTEN MARP, THAT THE SURVEY IS THOUGH ON SAID NOT AND WAS MADE DEPEN HE DESECTION IN SEPTEMBER, 1988 HOUGHEST ARE OF THE CREATER AND DO OCCUPY THE POSITIONS THOICATED AND LARE SUFFICIENT TO ENCELE THE SURVEY TO BE

COUNTY SURVEYOR'S STATEMENT

I, BERNARO I PEDERSEN HERENY CERTIFY THAT I AM THE COUNTY SORVEYOR, THAT I HAVE EVANIMED THE WITHIN AND THAT THE SUBSTRICT SHE WITHIN AND THAT THE SUBSTRICT SHE WITHIN AND THE SUBSTRICT SHE SAME AS APPEARS OF THE TENTATIVE HAP AND ANY APPROVED ALTER ATTOR THE THAT ALL FRONTSTONS OF THE SUBSTRICT SHE SUBSTRICT OF APPENDAL OF THE TENTATIVE HAP AND ANY APPENDAL ACCAL ORDITANCES APPLICABLE AT THE THE OF APPROVAL OF THE TENTATIVE HAP END END CONTROLT WITH RED I AM SATISFIED THAT SAID MAP IS TECHNICALLY CORRECT.

I, RADINE JAKSSON, HERESY CERTIFY THAT I AN THE CLERK OF THE EDANG OF SUPERVISORS OF CALAVERAS COUNTY. CALALEGRIZA, THAT THE RANGE SERVING SOLY HAS APPROVED THE STREAM FINAL MAY OF LA CONTINE OUT COURSE PROPERTY HEVERSION YS ACREAGE BY AN ORDER HADE ON MAY 30'. 1988, AND HAS ACCEPTED ON BEHALF OF THE PUBLIC. THE DRAINAGE AND PUBLIC UTILITY EASEMENTS AS SHOWN ON THIS MAP.

REDESPTION OFFICER'S STATEMENT

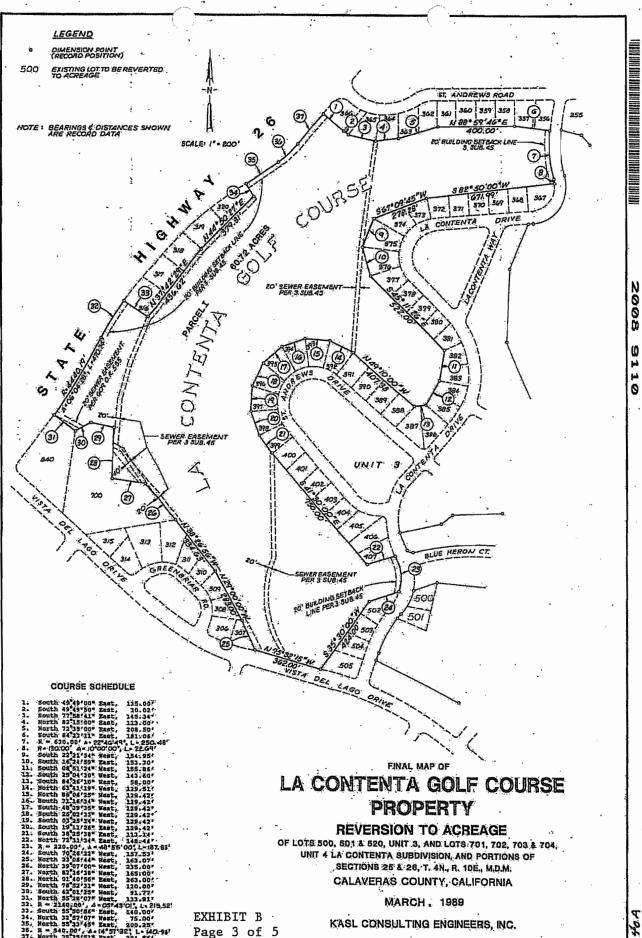
I; JOANN NAS , HEARRY CERTIFY THAT I AM THE REDEMPTION OFFICER OF CALAVERS COUNTY, THAT ACCORDING . TO THE RECORDED OF MY OFFICE THERE ARE NO LINES AGAINST THE SHADLYISION PONTRAYED ON THE MITTHE MAP OR THY PART THEREOF FOR UNPAID STATE. COUNTY, MUNICIPAL, ON LOCAL TAXES. OR SPECIAL ASSESSMENTS NOT YET PAYABLE.

JOANN HAS CALAVERAS COUNTY REDEMPTION OFFICER

COUNTY RECORDER'S STATEMENT

THE CALAVERIAS COURTY BURNEY SURVEYOR.
DOC # 29010608

EXHIBIT B Page 2 of 5

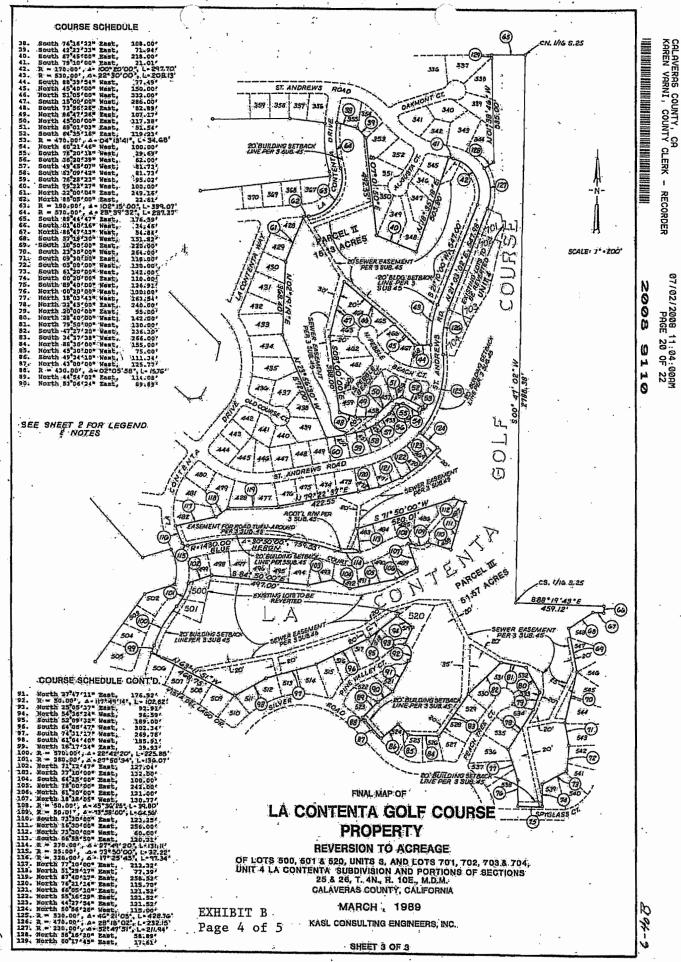


SHEET 2 OF S

7

CALAVERAS COUNTY, CA KAREN VARNI, COUNTY CLERK – RECORDER

07/02/2008 11:04:00AM PAGE 19 OF 22



/z:

6-40 B

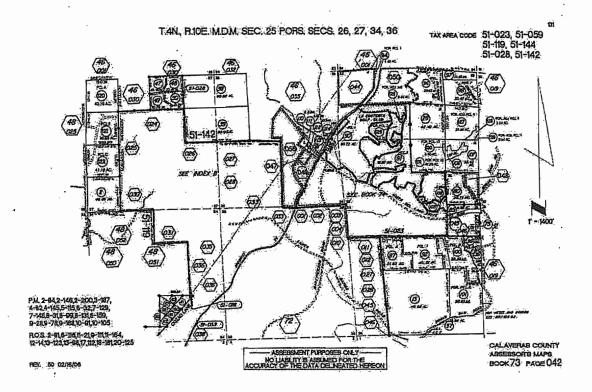
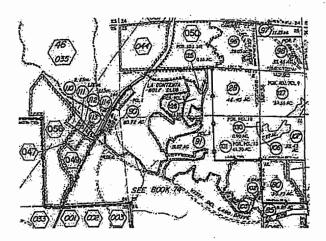


Figure 1



Portion of Figure 1 Enlarged